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FINANCIAL ACCOUNTING: A COLLECTION OF CASE STUDIES

By

Dalton Gibson

A thesis submitted to the faculty of The University of Mississippi in partial fulfillment of the requirements of the Sally McDonnell Barksdale Honors College.

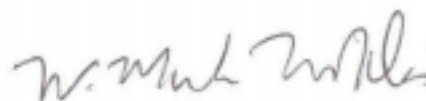
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ABSTRACT

DALTON GIBSON: FINANCIAL ACCOUNTING: A COLLECTION OF CASE STUDIES

Financial accounting encompasses many topics such as different accounting methods, ethical practices, financial reporting, and more. We were assigned students case studies, each covering a different category of financial reporting, including case studies about accounting methods, accounting standards, and financial statements. The cases are designed to help students understand real examples, think critically to solve problems, and develop strong research and collaboration skills. At the conclusion of this course, students had an improved technical knowledge of accounting and a better understanding of the importance of proper financial accounting methods. The knowledge learned will continue to benefit students in their future careers.

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CASE STUDY ONE: A TALE OF TWO CITIES

This case tasked us with choosing two cities in which we have interests in pursuing an internship in. Multiple questions are asked that require us to research extensively into the two different cities and learn more about them. We are given questions that many people, myself included, would not think to ask themselves when looking at different cities. These questions make us go beyond the “surface” information that we may have already known about the cities and really delve deeper into just what the cities are like and what they have to offer to us. This is a big factor since this city is where will be spending at least the first few years of our working career if not longer. This case was a big help to me as I was having a difficult time trying to narrow down the cities in which I could see myself living in. I was very indecisive about this due to the fact that I want to make sure I pick a city in which I can do more than just live. I want to choose a city in which I can thrive. For this case, I choose two cities that have stood out to me throughout my process of searching: Dallas, Texas and Greenville, South Carolina. Both of these cities have different appeals that draw me to them. I used this case as an opportunity to really get to know the cities as I put myself in the shoes of a resident of each city. It allowed me to really get into the mindset of living in the cities and all that it would entail. This included all the positive experiences that each city would bring as well as the negative ones that would be encountered. This in-depth analysis of the two cities was able to provide me knowledge that has helped in narrowing down the city in which I want to start my career.

The first city I chose to research was Dallas, Texas. The population of Dallas is 1.341 million. It is the ninth largest city in the United States and ranked fourth in a 2014 study of the fastest growing cities. This is quite a drastic change compared to my hometown population of around 2,000. While I want to step out of my comfort zone and explore new places, I worry that this would be too much of an overwhelming change for me. The second city I researched was Greenville, South Carolina. The population of Greenville is 68, 219. It ranks in as the sixth largest city in the state of South Carolina. While still vastly larger than my hometown population, I feel as though Greenville would be a solid stepping stone at breaking out of my comfort zone while still maintaining a small city vibe. The climate of Dallas is pretty similar to that of other cities throughout the south having hot summers and mild winters. Being at the bottom of “tornado alley” there is the slight chance that hurricanes could be an issue. This climate is similar to that of home so I feel as though there wouldn’t be much need for any adjustment on my part which is a positive thing. Greenville has hot summers which parallels Dallas. Winter, however, is a different story. Greenville experiences much colder winters and is wet and partly cloudy year-round. Again, this climate is similar to that of home; therefore, I would not have a hard time adjusting to it other than the fact of it snowing more than it does at home. Dallas and the surrounding areas are mostly flat lying at elevations ranging from 450 feet to 550 feet. Like many other cities in the world, Dallas was founded along a river. In this case it was the Trinity River. Greenville is nestled in the foothills of the Blue Ridge Mountains. Its downtown features a one of a kind pedestrian suspension bridge overlooking the river, waterfall, and city skyline. Both cities have their own appeal when it comes to scenic and geographic features. For me, I feel as though Greenville has a

appeal that is more tailored towards my tastes. For both cities, the tax rates would be the same except for sales tax which is 8.5 percent in Dallas and 6 percent in Greenville.

Looking at the federal income tax, Medicare tax, and social security you are looking at a net pay of \$45,393 after deducting out the federal income tax of 22 percent, social security tax of 6.2 percent, and Medicare tax of 1.45 percent from an annual salary of \$55,000. The fact that the federal income tax, social security tax, and Medicare tax are the same in both cities gives neither one the “edge” when it comes to comparing the two.

While Greenville has a lower sales tax rate than Dallas it is minute enough that it is not a major factor in comparing the two cities. The Dallas-Fort Worth Airport serves as both a major transportation hub for people and cargo as well as a major player in the local economy of Dallas. Dallas also has DART. This is the Dallas Area Rapid Transit: a transit agency which operates buses, light rail, and high occupancy vehicle lanes in Dallas. Greenville has a fixed route bus system called The Greenlink which offers transportation to destinations across all of Greenville County. Due to the much higher population of Dallas, the city needs more transportation opportunities than Greenville.

Dallas’ major industries include: defense, financial services, information technology and data, life sciences, semiconductors, telecommunications, transportation, and processing.

The five largest companies in Dallas are ExxonMobil, AT&T, Texas Instruments, Kimberly Clark Corp, and Southwest Airlines. Greenville’s major industries are manufacturing, distribution, logistics, and technology. Greenville Health System, Greenville County Schools, Bon Secours St. Francis Health System, Michelin North America, and GE Power & Water are the top five largest employers in the area.

Comparing the city’s top industries to one another has me leaning towards Greenville due

to the fact that manufacturing is one of its largest. This is an area that I am interested in. The U.S. News & World report has consistently ranked many of the Dallas area's Texas hospitals among the best in the nation. Large area insurers include BCBS of Texas, Cigna, and United Healthcare. Dallas-Fort Worth encompasses 355 public elementary, middle and high schools. It also has 401 private schools. 69 of these high schools are ranked among the best high school rankings in the U.S. Dallas is also home to 18 colleges and/or universities. Greenville is home to Prisma Health, a public non-profit academic health system, widely recognized as the states most comprehensive healthcare provider and one of the South's leading medical facilities. Greenville encompasses 34 public elementary, middle and high schools while being home to 63 private schools. Six of these high schools are recognized on the U.S. News & World Report's Best High Schools. Greenville has seven colleges and/or universities. Both cities have excellent school systems in both the public and private sectors. As for my children, I would most likely put them in a public school as that is how I was brought up. In Dallas, the most common types of crime are assault and robbery. Overall the Dallas-Fort Worth metro region received an index score of 7.9 out of 10. This is a lower overall crime rate compared to metro areas of similar sizes. South Dallas has been labeled as a place to avoid. Greenville has two main categories of crime that are larger than other, this being violent crimes and property crimes. Greenville has an overall crime rate that is 27 percent higher than the average in South Carolina. Specifically, regarding violent crimes in Greenville, the rate is 57 percent higher when paralleled to the national average. While both cities have their disadvantages when it comes to their crime rates, it seems as though Greenville could pose a more serious problem in this area. This is something that I have

to carefully consider especially when I begin thinking about beginning a family here. The average rent for an apartment in Dallas is \$1,236. This is a four percent increase compared to the previous year. The average square footage for an apartment is 845 square feet. This comes out to an average of \$1.46 per square foot. Many apartments come with amenities such as a pool, fitness center, business center, and laundry room. For my example property I have selected a one bedroom one bath apartment that is 782 square feet and costs \$817 per month.

Image 1.1 Dallas Sample Apartment Kitchen



Image 1.2 Dallas Sample Apartment Fitness Center



<https://www.zillow.com/b/lavera-at-lake-highlands-dallas-tx-5XhsVZ/#media>

For Greenville, the average rent for an apartment is \$1,124. This is a 6 percent increase from the previous year. The average square footage of an apartment is 894 square feet. This comes out to be on average a cost of \$1.27 per square foot. Like Dallas, many apartments in Greenville contain the same amenities. The sample location I have chosen for Greenville is a one bedroom one bath 554 square foot apartment costing \$811 per month.

Image 1.3 Greenville Sample Apartment Bedroom

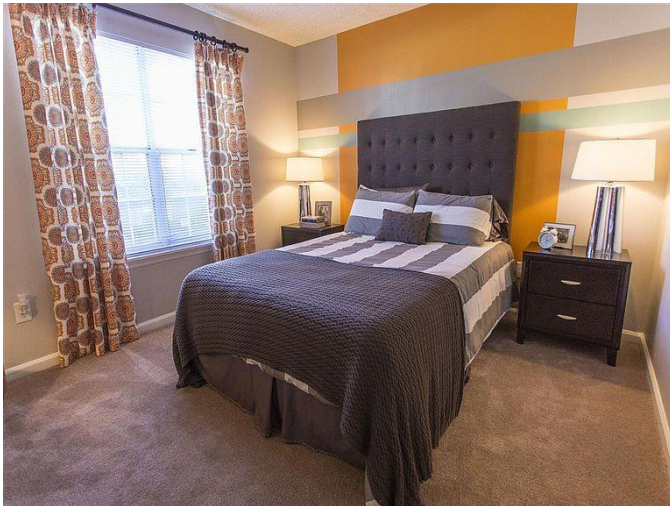


Image 1.4 Greenville Sample Apartment Kitchen



<https://www.zillow.com/b/hawthorne-at-the-park-greenville-sc-5Xj99H/#media>

The average monthly rents and square footage are pretty minute in differences between the two cities. I did find however that in most cases, you get more “bang for your buck” when it comes to square footage in Dallas apartments. The typical mode of commuting in Dallas is the automobile, though efforts have been made to increase the availability of alternative modes of transportation including the construction of light rail lines, biking and walking paths, wide sidewalks, a trolley system, and buses. In Greenville, the typical means of commuting is either automobiles or walking. There is not a very large difference in the means of transportation between the two cities; however, commuting times would be different simply due to the larger population in Dallas which would require leaving earlier as traffic is undeniably expected. For both cities I would do my shopping at local grocery chains such as Trader Joe’s, Whole Foods, and Kroger. Both of my sample properties have laundry rooms that come included in the apartment. When selecting the sample properties this is one of the criteria I checked due to the functionality

of having an in-house laundry room as opposed to an apartment wide laundry room. In Dallas, I would like to get involved in volunteering with the In-Sync Exotics Wildlife Rescue where I could help care for big cats while getting to learn more about them. Another organization I would like to get involved in is the Dallas Habitat for Humanity. The Make-A-Wish foundation is another organization I would like to help due to a personal connection that I have with the organization. Greenville, like Dallas, offers many opportunities to get involved and volunteer. One organization that really stands out to me is Loaves and Fishes. This organization picks up donations of perishable foods from companies and delivers it to local human service agencies that help to feed the hungry. Another organization I would like to help out is the United Ministries. They assist poor people in emerging from hurting situations by providing them with basic needs to help allow people to make positive life changes. Finally, an organization that I would love to get involved in is Hugs for Hounds. This non-profit organization is devoted to the rescue and rehabilitation of large breed dogs. Both Dallas and Greenville offer many wonderful opportunities to get out into the community and give back. While I am not a big sports fan myself, there are many sports team located in and around Dallas including: The Dallas Mavericks, The Dallas Stars, and the Dallas Cowboys. Dallas is home to many parks including its flagship park: Fair Park. These many parks contain an abundance of biking and jogging trails which is something I would be interested in using as I am an avid outdoors person. Fair Park is also home to the Dallas Zoo, Texas' first and largest zoo. I am a big animal enthusiast so this would be a place I would enjoy visiting. The city's parks are also home to a plethora of recreational activities that I would be interested in getting involved in. To the west of Dallas in Arlington is Six Flags

over Texas, the original franchise in the Six Flags theme park chain. Greenville, while smaller in size, is home to The Drive. This is a local single-A affiliate of the Boston Red Sox. Greenville is home to Fluor Field, a scaled down replica of Fenway Park. Greenville is also home to a minor league hockey team. Clemson University is right outside of Greenville. While boasting a stellar football reputation, the university also excels in other sports such as men's and women's soccer and basketball. Greenville hosts many recreational sports that anyone can get involved in as well. Falls Park on the Reedy is home to riverfront gardens and waterfall views and is located right in the heart of downtown Greenville. This park hosts many events such as concerts and farmer's markets. Both cities offer many different opportunities when it comes to sports, entertainment, and recreational activities. Venturing out to Dallas and Greenville would both be a big step out of my comfort zone. From Dallas, traveling back to my hometown would take six hours by car and approximately one and a half hours by plane. For Greenville, it would take eight hours by car and three and a half hours by plane.

Table 1.1 Personal Budget for Dallas and Greenville

<u>Personal Monthly Budget</u>		
	<u>Dallas, TX</u>	<u>Greenville, SC</u>
Income:		
Salary	\$ 5,000.00	\$ 5,000.00
Expenses:		
Federal Income Tax	\$ 450.00	\$ 450.00
Medicare	\$ 66.46	\$ 66.46
Social Security	\$ 284.00	\$ 284.00
Rent	\$ 817.00	\$ 811.00
Utilites	\$ 139.55	\$ 162.16
Heallth Insurance	\$ 374.49	\$ 383.40
Car Insurance	\$ 150.83	\$ 125.16
Telephone	\$ 80.00	\$ 80.00
Food	\$ 150.00	\$ 150.00
Gas	\$ 100.00	\$ 100.00
Entertainment	\$ 200.00	\$ 200.00
Clothes	\$ 200.00	\$ 200.00
Savings	\$ 250.00	\$ 250.00
Total Expenses	\$ 3,262.33	\$ 3,262.18
Discretionay Income	\$ 1,737.67	\$ 1,737.82

After researching and learning more about my two potential cities and looking at them from many different angles, I was able to decide Greenville, South Carolina as my preferred city. This decision was based upon looking at the positives and negatives that each city had and comparing them to one another to decide which one had a higher net value for myself. In the long run, I feel that the smaller city will allow me to thrive more in both my career life as well as my social life. From the smaller population to the recreational and entertainment available to me, it has an abundance of positives that overall outweigh the few negatives that I have discovered in the city. The industries that are more prevalent in Greenville are also a strong draw as they are industries that I am looking at trying to get into. While Dallas is a wonderful city in itself, the positives of the city just do not outweigh the negatives. The much larger population is one of the biggest turnoffs for me, along with personal feelings about the opportunities that are available to me there. Overall, I feel that Greenville will provide me with a much more enriching internship experience and eventually be a wonderful place to start the next chapter of my life.

CASE STUDY TWO: BREXIT

This case tasked us with looking at a current ongoing political movement occurring in the United Kingdom known as Brexit. This movement would result in the United Kingdom leaving the European Union. To give some background, the European Union, commonly referred to as the EU, is an economic and political union involving 28 European countries. This union allows free trade and movement of people to live and work in whichever country they choose. This has been an ongoing movement for the past few years. In 2016, a public vote was held where 52% of the more than 30 million people that voted to leave. The process of withdrawing from the union is far from simple though. Three years after this vote, the United Kingdom is still a member of the European Union and its exit has been delayed twice. Throughout this case study, I looked at the two opposing sides, this being staying in the EU and leaving, of the Brexit deal and evaluated the pros and cons of each side. I learned multiple things about each viewpoint that helped me to form an opinion about what I would want to happen if I were a citizen of the United Kingdom. I looked at different areas that would be affected by this radical change such as trade, immigration, and jobs and analyzed the pros and cons that would occur under each of the two viewpoints. This case really allowed me to broaden my horizons and learn about a topic that I otherwise would have paid little to no attention to. It gave me some valuable insight into a problem that may seem irrelevant to me, but could have effects on the United States and its relationship with the United Kingdom and the European Union. Overall, I thoroughly enjoyed this case and the opportunity to broaden

my horizons on this ongoing political change that is making history and changing the landscape of the United Kingdom as we know it.

The first viewpoint I looked at was the United Kingdom leaving the European Union. In the largest exercise of democracy in Britain's history, the people of the United Kingdom voted to leave the European Union. For many people, they feel that the single best reason to leave is simple the fact that this is what the British people voted for and want to do. Brexit was supposed to occur at the end of March this year, but the deadline has been extended twice due to the House of Commons rejecting every approach suggested to resolve the crisis. These delays are highly unpopular and it showed in the most recent elections. The new Brexit Party, which has its only goal as getting Britain out of the EU, had a stunning victory in the European elections. What has caused many members of parliament from supporting the exit from the EU is the fear that Britain will suffer economically upon leaving. Many people are quick to point out however that being a member of the EU does not guarantee prosperity. Switzerland is one of the wealthiest countries in the world and it refuses to join the EU. Meanwhile, Greece, an EU member, has become immiserated. For Britain, the EU adds relatively little economic value. The European Union is heavy in setting regulations which simply add more costs that Britain has to pay. The EU likes to use these regulations along with tariffs and quotas to eliminate outside competition. This stops citizens from being able to get cheaper, better products from other parts of the world. Of course, leaving the European Union will not be a simple transition. Leaving a trading and regulatory area that it has been a member of since 1973 will not come without a few bumps in the road. Many people see this as the government's job to prepare and minimize these bumps as much as

possible. Granted, so far, the government has not done the best job with its exit negotiations up to this point. It still has the ability to come out on the top if it can somehow negotiate a genuine free trade area between the European Union and the United Kingdom. The odds of this success are very low though. The European Union likes the unacceptable deal that it has already negotiated and seeing as how they have no desire to change it, Britain must be prepared to walk away at the end of October. The greatest risk in Britain today is that the 2016 referendum was deemed as the chance for the British people to choose their destiny as a nation. The economic risks associated with Brexit will be nothing compared to the political risks that are bound to happen if the people are denied the voice they have been promised.

The other viewpoint that I analyzed was staying in the European Union. Of course, with any large decision like this you are going to have factions that are against the idea. These people claim that leaving the European Union would be horrendous both economically and politically. According to forecasts done by several entities including the United Kingdom Treasury and the International Monetary Fund, Brexit would wreck the economy. These reports claim that while in the short run Britain would find itself better off, the economy will then shrink as it faces cuts to spending and considering increases to income taxes and fuel duty. Another big point of why the United Kingdom should remain is there's no guarantee of how well Britain can manage the severing of ties with the European Union. This can cause a problem when it comes to trading since the EU is Britain's main trading partner. Another major issue is the exponentially increased expenses that will be incurred for Britain to import and export goods. Once they sever ties with the EU, they will no longer have tariff-free access to the EU markets. Britain is no longer the

manufacturing hub that it was in the 1950s. It has slowly turned into a service industry driven country. Because of this, some claim that leaving the Eu would instantly make these services less competitive therefore taking a hit on the economy. These factions that are wanting to remain in the EU recognize the fact that while the EU membership may not be perfect, Britain reaps many benefits from being a part of this union.

On October 31, 2019, the prime minister has promised to take the United Kingdom out of the European Union with no deal. Leaving the EU without a withdrawal agreement would be known as a “no-deal Brexit”. If this becomes the case, then there would be no transition period after the UK leaves and all of the EU laws would immediately stop applying to the UK. The ramifications of this “no-deal Brexit” would cause many troubles in this short-term rebuilding of the United Kingdom. Some of these troubles would include the fact there would be no specific arrangement on the future rights of EU citizens in the UK and vice versa. Another large problem would be the re-imposing of border checks and the transportation between the UK and the EU. The UK’s relationship with the EU would suddenly be governed not by the common rules and regulations that have been built but by a more general international public law. This boils down to the basic rules set forth by the World Trade Organization. The problem with this is that no other major trading partner of the EU relies solely on these WTO rules. This leaves many possible scenarios open that would need to have solutions found for them. One of the top priorities in the case of the “no-deal Brexit” is ensuring the supply of basic services. This includes things such as supply chains for food and medicines, transportation by airplanes, and driving permits to name a few. Basically, every area of the economy must be prepared for what could happen if no deal is

reached. After analyzing the two viewpoints and looking at this proposed “hard exit” on October 31st if no deal is reached, I have developed the opinion that leaving the European Union would be the best strategic move for the United Kingdom. This would allow greater autonomy for the United Kingdom and allow them to prosper and flourish more than they would be able to under the strict regulations of the European Union.

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CASE STUDY THREE: 10-K ANALYSIS

This case tasked us with analyzing a 10-K report from a selected company. We were assigned groups and given a set of questions that we had to answer in order to simulate being asked by a partner or manager to gather data on the company and report back to them with our findings. This gave us a good opportunity to get some hands-on experience with a task that we might actually be asked to do on our internship and in our future careers. I felt this case was quite representative of an assignment that we would not think about being a part of our job, but is very necessary for us to know how to do. Upon beginning this case, I have to admit I was quite lost as I have never really looked at a 10-K with the intentions of finding certain things within it. Up to this point, we have been learning how to build our own financial statements and develop these items from the ground up. This allows us to know exactly what we put in these statements and therefore we are knowledgeable about them and can explain them in great detail. It was a different experience having to look at an already prepared financial statement and really analyze it and see where each item came from. With all of the information that is contained in a 10-K, this could be an extremely tedious task. This is where being in a group came in handy. We were able to analyze it from different perspectives and we all had some knowledge based off past experiences that we were able to share with the others and use our strengths to help the group as a whole. I believe that this is another experience that is quite representative of a real-life situation that we can plan on encountering in our careers. We will be working with people from many different backgrounds and this can be very beneficial. It allows us to grow as employees and as people in general as we learn new skills and are exposed to new ideas.

My group was given the company HCA Healthcare. First, we were asked to address some of the basics about the company. Topic such as: the nature of the company, how they generate profit, where they are headquartered and other things of this nature. HCA Healthcare is one of the leading healthcare services in the United States. Their primary objective is to provide a comprehensive array of quality health care services in the most cost-effective manner possible. They have hospitals that provide a full range of services to accommodate such medical specialties as internal medicine, general surgery, cardiology, oncology, neurosurgery, orthopedics, and obstetrics. They have many different facilities including freestanding surgery centers, emergency care facilities, urgent care facilities, walk-in clinics, diagnostic centers and rehabilitation centers. They are a service company. This means they generate profit by providing services to the public. Being a healthcare company, their money comes in from third party payers such as the government, insurance companies, and employees. They were incorporated in Delaware and they are headquartered in Nashville, TN. They operate hospitals in 20 different states as well as 6 in England. They are audited by EY in Nashville. We were asked to analyze the items in the asset, liability and equity section of the company's balance sheet. The first asset they have is cash and cash equivalents. This includes highly liquid investments with a maturity of three months or less when purchased. Next on their list is accounts receivable. For HCA, this is the payments they plan to receive for services rendered from federal and state agencies (under the Medicare and Medicaid programs), commercial insurance companies, employers and patients. Their inventory section is stated at lower of cost or market. This simply means that the price they associate their inventories with in their record is whichever price is lower whether it be the price at which they bought it or the current price of the market. Next, they have their property and equipment which includes land, buildings and equipment. This includes depreciation on their equipment which is

computed using the straight-line method. Finally, they have goodwill which comes from the acquisition of an existing business. For their current liabilities, the first item they have is accounts payable. This is an account set up to recognize that they owe money to another entity. Next, they have accrued salaries and other accrued expenses. These accounts refer to accrued expenses that have been incurred but not yet paid out by the company. The next item is their long-term debt payable due within a year. This means that a portion of their long-term debt is due within the year which classifies it as a current asset. Next, they have long term liabilities. Their first item in this category is their long-term debt. This is the debt that is not due within the current operating period. Then they have their professional liability risks. Finally, they have their equity section. In this section they have their common stock, accumulated other comprehensive loss and retained deficit. Accumulated other comprehensive loss comes from an unrealized holding gain that the company had. Retained deficit is when cumulative losses are more than cumulative profits. The next question we are tasked at answering is who our company's customer base is. The answer we arrived on as a group was a bit generic as we simply said that their customer base is a wide array of people as needing healthcare is a universal thing. Their specific sources of revenue come from their many different facilities that they operate. Hospital revenues depend upon inpatient occupancy levels, the medical and ancillary services ordered by physicians and provided to patients, the volume of outpatient procedures and the charges or payment rates for such services. Charges and reimbursement rates for inpatient services vary significantly depending on the type of third-party payer, the type of service (e.g., medical/surgical, intensive care or psychiatric) and the geographic location of the hospital. Because they have hospitals in England they have revenue that comes from outside of the United States. This outside revenue accounts for 2.5 percent of their total revenues. Next, we are asked about the company's suppliers and their cost of goods

sold. HCA's 10-K refers to their suppliers simply as "third-party" suppliers. They never actually name who all their suppliers are. We can infer that they most likely have quite a few considering the sheer size of the company and the many hospitals and other facilities they have to keep stocked. Because HCA is a service company, they do not have any cost of goods sold. Next, we are asked about the company's operating expenses and how they generate revenue. Their operating expenses include: contract services, professional fees, repairs and maintenance, rent and leases, utilities and insurance. All of these expenses help to generate revenue because they keep the company operating at a steady level so that it can continue to provide services which is what generates its revenues. Next, we look at the company's revenues and expenses over the last three years. Their revenues and expenses have both been growing at a steady rate. This can be attributed to the fact that HCA continues to buy out other hospitals which both increases expenses for the company as well as provides a new revenue stream. A recent example of this is them acquiring the North Carolina hospital system Mission health for \$1.5 billion. Next, we look at the company's net income compared to their cash flows from operations. Their net income is lower than their cash flow from operations and this can be attributed to certain accounts that cause this difference. These accounts are: increase/decrease from operating assets, depreciation, income taxes, gains on sales, losses on retirement, legal claim benefits, amortization and share based compensation. Finally, we are asked to see what accounts on our company's balance sheet contain estimates and judgements. The two main areas that we found that contain these are professional liability risks and property and equipment. The company says in the 10-K footnotes that both of these contain estimates from data gathered in order to give the most realizable value to these two areas.

Overall, this case was very interesting to me. It made me step out of a “comfort zone” so to speak and challenged me to do something that I had never done before. It provided valuable insight and helped me to gain better knowledge and understanding of the 10-K report through both individual learning as well as knowledge that I gained from members of my group.

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CASE STUDY FOUR: THOMAS SOWELL

This case was very different from those we have previously done. The first thing that we did was answer two questions that we had no prior knowledge of; therefore, our answers were very unscripted in the fact that we could not prepare an answer beforehand. This allowed for us to have a free-flowing answer that was just truly what we thought about the situation. While normally this would have panicked me quite a bit, I found this to be fun in a way. It gave us all some lead way to be “creative” with our answers as there was not a truly “right” answer. In our world of numbers and rules, creativity can be hard to come by so it was nice to have that moment. The second thing we did was to watch an interview with economist Thomas Sowell. This interview was heavily focused on the issue of economic inequality. Sowell discusses the “myths” of economic inequality and how he sees it from his point of view. It was a very interesting interview to listen to as Sowell has many wonderful opinions that really make you think. I thoroughly enjoyed listening to his discussion about his new book and the content within it. He brings up many good points when talking about economic inequality and how statistics can be used to inaccurately describe a situation. I, personally, have not really studied this topic or looked into it much as it has not been something that has affected me in my own life. I hear about the topic in the news from time to time, but it was very informative to hear the opinions of an economist who has actually studied this topic and has a wealth of knowledge about the subject. It allowed for me to broaden my horizons and gain some valuable insight on a topic that I might otherwise have never even dealt with.

To give a little background, Thomas Sowell was born in North Carolina in 1930. When he was 8, he moved to Harlem, New York with his family. He was not encouraged by his family to pursue a higher education despite showing early signs of academic promise. This led him to drop out of school in the 10th grade. He worked various jobs and eventually earned his high school degree through an evening program before going on to serve two years in the U.S. Marines. After his service he entered into Howard University for three semesters before transferring to Harvard University. He graduated magna cum laude and later went on to earn his Master's and Ph.D. from Columbia and the University of Chicago respectively. After watching his interview, I was very intrigued about his thoughts on the subjects he discussed so I did some research and read a few summaries of his recent book *Discrimination and Disparities*. He begins the book discussing how prerequisites for success often hinge on a combination of skills and choices. Sowell argues that this leads naturally to skewed outcomes even for groups with relatively small variations in individual abilities. He presents evidence that show disparities in outcomes have no plausible causal role for disparity of treatment. He goes on to talk about types of discrimination and their costs on decision makers and decision subjects. He describes three types of discrimination: using individual characteristics, using group characteristics, and arbitrary discrimination. He goes on to discuss how each of these affects a person. The most interesting item that I read about what how he discusses the destructive human consequences wrought by “the invincible fallacy” and its attendant social vision. This whole book is very insightful as it has views on the problem of economic inequality that are not necessarily “mainstream.” I learned a lot from reading excerpts from the book and it really opened my eyes to different ideas. I thoroughly enjoyed both his interview as well as his book and look forward to learning more about his ideas.

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CASE STUDY FIVE: REGULATION FAIR DISCLOSURE

This case tasked us with taking on the role of a public accountant and explaining to one of our clients what Regulation Fair Disclosure is. We are told to explain it in layman's terms and explain to the said client how it will affect their financial reporting actions. This was a good way on introducing us to the topic as I had never even heard of Regulation Fair Disclosure before this. Having to read about the subject and figure out the most appropriate way to explain it to a client who more than likely does not have an accounting background really helped me to better understand the subject and learn about it myself. This case gives us a taste of a topic that we are sure to deal with in the future. It is nice to go ahead and get some exposure to the subject now and learn about the material beforehand. I feel that one of the biggest advantages of being in this class and getting to take part in these case studies is the exposure that we get to so many different topics and subjects that arise quite often in the accounting world. Our peers that do not get to experience this class are not getting this exposure and some of them will never even get the chance to cover these topics until they experience in their profession. The knowledge I gained from this case is sure to help me in the future as regulation fair disclosure is a looming subject in the accounting profession. The information I learned while reading about Regulation Fair Disclosure also helped me to learn more in depth about subjects that interweave with the policy. This has been one of my ore favored cases as I love the scenario of being put into the shoes of an accountant and getting to deal with subject matters that we will face once we enter into the workforce.

Regulation Fair Disclosure is a rule passed by the Securities and Exchange Commission in an effort to prevent selective disclosure by public companies to market professionals and certain shareholders. Regulation Fair Disclosure states that if a publicly traded company or an issuer of stock discloses any material nonpublic information to a selected group of individuals, then that company must also make public disclosure of that information. These disclosures must be made simultaneously if it is an intended disclosure of information. If an unintentional disclosure of information should happen, then the company must follow promptly with a public disclosure. The very basic premise of this rule is to make sure everyone has a fair and level playing field. It allows for everyone to receive all the information that a company has to disclose and prevents companies from sharing information with selected groups of individuals to give them an advantage over another group of users. Regulation fair disclosure exists largely due to the fact that financial analysts and investors were given information about earning results and other nonpublic information from companies without the companies disclosing this information to everyone. This allowed for situation where investor and analysts were able to make a profit or avoid losses at the expense of the rest of the investing community. This sharing of nonpublic information could also be considered on the borderline of insider trading by some. Concerns about this causing a decreased confidence in the ability and integrity of markets because of these unfair disclosure practices is what ultimately lead to the creation and passing of Regulation Fair Disclosure.

On the topic of posting nonfinancial performance metrics to a personal social media profile, this could be a violation of Regulation Fair Disclosure. With my current knowledge of the subject, Regulation Fair Disclosure covers any information that is deemed to be material. This includes stats such as the ones you described as posting to your profile. If this information was not public for all to have knowledge of then you posting it could have given advantages to those who saw your post and were able to have that information.

After reading and gathering information about this aspect of Regulation Fair Disclosure and looking at similar cases it seems as though the posting of these stats to a social media website can be considered within the rules of Regulation Fair Disclosure as long as investors are alerted and access is not restricted. There seems to be a very fine line on the topic of posting this sort of material to social media sites as this a new way of communicating that was not as prevalent when Regulation Fair Disclosure was passed by the SEC. I believe this is something that should be looked at and the SEC should consider amending the Regulation Fair Disclosure to add in specifics about how users should handle information sharing on social media platforms.

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Form 10-K,

https://www.sec.gov/Archives/edgar/data/860730/000119312519047078/d676301d10k.htm#tx676301_1.

CASE STUDY SIX: TAX CASE

For this case we were asked to review our corporate client's personal tax return, specifically in regard to his young daughter's YouTube career. Although we have been filing his tax returns for many years this is the first we have heard about his minor's substantial income. Emma, the daughter, is currently earning income anywhere from \$10,000 to \$15,000 per month at 13 years old. We never filed this information and are concerned it may lead to several governmental repercussions if discovered.

After learning about this problem, we decided to research YouTube taxation and influencer gifting policies to see if they applied to Emma. We came across a YouTube issued taxation form known as the "1099 – MISC" which should be received by any individual receiving an excess of \$600 from a brand. If Mr. Smith accurately stated his daughter's income, the family should have received this form at least once.

This case allowed us to explore the tax side of accounting, which has not been taught in depth by any professors thus far. Influencing and YouTubing have become increasingly popular over the past several years and will definitely need to be taken into consideration when potentially filing for clients later in our career. This case also showed the importance of everyday people understanding basic tax implications, even if they hire someone to assist in completing their returns. Throughout their conversation we were granted the opportunity to see the reality of potential faulty filing and the implications that could develop. Not only would these actions reflect Mr. Smith poorly, but also our professional tax team entrusted with this information.

Memo One

Dear Team:

It has recently come to my attention that our CEO's daughter has been receiving ad revenue of \$10,000 to \$15,000 from her YouTube channel. On top of this she has received multiple gifts from brands. Seeing as though he has claimed her as a dependent on his tax returns, this will definitely affect how we have filed his tax returns. After research into the topic, I have learned that we should have gotten a Form 1099-MISC for each brand that paid his daughter in excess of \$600. In my fillings for him, I have not come across one of these forms. This has led me to come to three conclusions: either they have not received these forms, they unknowingly did not disclose these forms, or in the worst-case scenario, they knowingly did not disclose the forms. As far as the gifts are concerned, my research has found that values in excess of \$100 should be taxed so we must find out what the value of these gifts have amounted to in order to know what to do with them. In my research I have also found there are certain deductions that we may be able to claim that we will have to discuss with David. In the case of the first scenario, we will have to simply contact the brands that she has worked with and firstly see why they did not send these forms and secondly get them to send these forms for the past four years so that we can file a Form 1040X to amend the previous four years of taxes and explain as to why we are. In the case of the second and third scenarios we will have to take a very similar approach except in the fact that we will have to see if they still have these forms and we can get them so that we may once again file a Form 1040X and amend the previous tax returns. If he unknowingly did not disclose these forms we as a team need to talk with David and explain to him that nothing is too material when

it comes to taxes and that we need to know everything about any income that is coming into the household. If he knowingly did not disclose these forms then we as a team should have a serious discussion about how we want to move forward with this incident. This is a serious matter and we as a team need to be swift and thorough in coming up with a solution.

Thank You!

Dalton Gibson and Kaitlin Haines

Memo Two

Dear David,

After hearing of the substantial income that your daughter has been receiving from her YouTube career over the past four years, I decided to research into the potential tax implications regarding this matter. Due to the fact that you claim your daughter as a dependent, we may have a serious problem on our hands. My first question to you is have you received any forms labeled “1099-MISC”? These would have come from the brands that are paying your daughter. If you have not received these forms I will need a list of all the brands that are paying your daughter so that I can contact them and get these forms so that I can get to work on filing a 1040X and amending your past tax returns to fix this before it becomes a problem. If you have these forms and did not disclose them to me due to not knowing that I would need them, I will need you to provide me with them as soon as possible and in the future make sure that you provide me with any items you receive involving income coming into the household. Nothing is too material when it comes to taxes. There will be penalties because of this incident, but the sooner we solve it the less impact it will have. Please get me back to me at your earliest convenience.

Best,

Dalton Gibson and Kaitlin Haines

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- Team, TaxSlayer Editorial. "Filing Taxes for YouTubers, Bloggers, and Other Social Media Influencers." *The Official Blog of TaxSlayer*, TaxSlayer LLC, 11 Sept. 2019, www.taxslayer.com/blog/filing-taxes-for-youtubers-bloggers-and-other-social-media-influencers/.

CASE STUDY SEVEN: BLOCKCHAIN MONOPOLY

This case immersed us in a simulation of a world where blockchain accounting is the prevalent form of accounting. We played a modified version of monopoly to show us how the different roles within a blockchain accounting system would function and interact with the other roles within the system. Blockchain is actually a form of accounting technology that is concerned with the transfer of ownership of assets and maintaining an accurate ledger of financial information with a distributed database existing on multiple computers at the same time. The main takeaway that I got from our simulation is how confusing blockchain would be. Even in our extremely simplified model of blockchain, it took a solid 30 minutes to even explain the concept of the game. After this 30-minute explanation, there were still many questions trying to get clarification on some of the rules that we had to follow. Overall, I am not quite sure that there was ever a point throughout the whole game that I was not confused about something. Like I said previously, this was an extremely simplified model of the blockchain concept so I cannot even begin to imagine it used in a large-scale operation. I see where the intentions are with this technology and the attempt to make this database where everything can be stored and accessed, but I feel that it will do more harm than good for the world of accounting. I think this because of the fact that the system is frankly just too complicated for an everyday user to want to integrate into their work. Overall, this experience was very eye opening to a concept that I had very minimum knowledge on and allowed me to get a better understanding of a currently ongoing topic in the accounting world.

Blockchain, also referred to as Distributed Ledger Technology, by definition makes the history of any digital asset unalterable and transparent through the use of decentralization and cryptographic hashing. A simple analogy of blockchain is a Google Doc. When a document is created and shared with a group of people, the document is distributed instead of copied or transferred. This gives everyone the ability to access the document at the same time. All modifications are being recorded in real-time, making changes completely transparent. This is an extremely oversimplified example of the concept of course, but it can give you a beginner's understanding of how the process works. After giving this general overview of what blockchain is, I will now discuss the "Blockchain Monopoly" case and my role within the game. This case was a way for us all to be introduced to the concept of blockchain and get our "feet wet" so to speak with how it would be implemented. We had several different roles within the game. These roles were: blockchain consultants (further broken down into "the cloud" and the "runners"), blockchain auditors, "Big Mama and Big Papa", and the business/property managers. Another aspect of the game was that all of the business/property managers were divided up into four different states. I served in the role of a business/property manager. My role consisted of me playing the modified game of Monopoly and acquiring properties in an attempt to build my assets. While the game worked pretty much like a normal game of Monopoly, there were a few twists thrown in to help simulate how blockchain would affect the process. A typical turn for me went down in this fashion. I would roll the dice to figure out the number of spaces that I would be moving that turn. If I landed on an unowned property, I had the option to go up to "Big Mama/Papa" and buy the property from them or if I did not want to purchase the property I would have to call a runner over and see if needed to pay rent to anyone else that owned the property in our state that was from another state. The runners were able to differentiate each of us in the shared global ledger by labeling us by our unique security code that each one of us were assigned at the beginning of the game. If I landed on a property that had already been purchased, I had to call a runner over to record the transaction of me paying the player that owned it the rent expense

into the overall shared general ledger as well as recording it in my own personal general ledger. If I landed on a community chest or chance space, depending on what the cards had me doing, I would either go to “Big Mama/Papa” and receive digital cash or pay them or if the card had me distributing or receiving cash from players within my own state, I would just handle it with the other players in my state and we would all record it in our personal ledgers. This was how each turn went for all business/property managers within each state. After we completed all the turns and the game was over, we had to prepare financial statements based off of all the transactions we recorded while playing through the game. Overall, the whole experience was quite confusing for a variety of reasons. Since I had very little experience with blockchain, the process was a whole new world for me and it was tough trying to catch on to all the rules especially when it came to making sure transactions were being posted to the shared ledger. There were also a lot of things that were going on at once and at times it made it extremely difficult to keep up with things and make sure everything was happening as it should be. Even if I thought I had my stuff together, once I called a runner over they would sometimes not be clear on certain rules and that caused confusion for everyone and it was akin to a snowball effect for the whole system. This leads me into the next point of discussion which is how likely is blockchain to work for the entire global economy. I will just flat out state my opinion and that is that blockchain accounting will never work for the global economy. The system is just too complicated as a whole to implement into such a large-scale operation. Without some serious modifications to the current way that the system operates, it will fail miserably if it is implemented. Another reasoning behind why I feel that it will fail is the fact that unless it is required by law for all companies to use the system then there will be companies that use it and others that choose not to. This leads to a serious issue regarding comparability between companies as well as trying to conduct business from one company using the system to another who is not using the system. Overall, I enjoyed how this case was written. It gave us an introduction into this new and foreign concept and allowed for us to form an opinion about it based off of personal experiences that we had with the topic.

Financial Statements

Dalton Gibson
Income Statement
For the First Period of Operations

Revenues	225
<i>minus</i>	
Expenses	<u>(26)</u>
<i>equals</i>	
Net Income	\$199

Dalton Gibson
Statement of Retained Earnings
For the First Period of Operations

Beginning Retained Earnings	\$0
<i>plus</i>	
Net Income	199
<i>minus</i>	
Dividends	<u>0</u>
<i>equals</i>	
Ending Retained Earnings	\$199

Dalton Gibson
Balance Sheet
February 26, 2020

Assets:

Cash	1299
Properties	400
Buildings	<u>--</u>
Total Assets:	\$1699
Liabilities	--
Equity:	
Stock	1500
Ending Retained Earnings	<u>199</u>
Total Liabilities plus Equity:	\$1699

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CASE STUDY EIGHT: INTERVIEW CASE

This case tasked us with interviewing an individual who was well established in their field of work and use the information we gathered from the questions that we asked to write a biography of the person. This was our first case since we have moved to the distance learning system that has become our “new normal”. It was actually very nice to get to talk to someone that was not a member of immediate family for a change. I used this as an opportunity to get outside my field of study and learn a little bit about someone who chose a different path than the one that I am currently going down. I will not go too in depth about my interviewee as you will read the biography I prepared about her later on in this case, but I will give a quick snippet about her. She is retired from the youth court systems of Mississippi where she worked for over 30 years and currently works part time for the local sheriff’s office. As you can tell, this is a very different career than the one I am pursuing currently. This was a very entertaining interview for me as I got to hear someone who is so very passionate about their job talk about their long career and everything that they were able to accomplish during it. As I mentioned before, getting to hear a different perspective was extremely interesting to me. I feel that having an open mind and not limiting yourself to one mindset or one way of thinking in life is key to growing yourself as a person. That is why I do my best to try and meet and connect with many different people from many different backgrounds whether it be cultural, socioeconomic, political, etc. This case gave me another way to connect and learn from someone who was able to give me insight and knowledge from someone else’s point of view.

Donna Smith grew up in a typical small town. At a young age her parents decided to get a divorce. They continued to stay friends though so that they were able to raise their daughter together and that she would have both of her parents in her life. She described growing up as “living the good life.” Before entering high school, her family moved to a larger city in another state. She was not a fan of the move due to the fact that she had grown up in the same place with the same people for years so this move was uprooting her whole life. Overall, she explained that the move was beneficial because it helped her to become more independent as she traversed this new environment. After finishing high school, she decided to move back to her hometown area in order to attend the local junior college. Throughout junior college she admits that she had no idea what she wanted to do with her life. This led her to take a break after junior college until she knew what she wanted to do. She eventually decided on getting a degree in criminal justice with a minor in counseling from The University of Southern Mississippi. She decided on this because of classes she took in both of those majors and the teachers she had really had a love for the subjects. She eventually got her master’s degree in criminal justice. She used the combination of her major and minor to get into the juvenile justice system. Her first job was in the Mississippi Delta working for the youth court of Bolivar county. She said this was one of the best jobs that she ever worked yet she stayed there the shortest due to the fact that it was the farther away from her hometown area. She then worked at the training school in Jackson. This was a school for troubled youths that sought to help them adjust and become productive members of society. She did not like this job due to the institutional setting that it had. Because of this she went back to the youth court system and worked in multiple different counties until her retirement. After retirement she continued to work part time in the juvenile court system for two more years. Her home life was drastically different than her work life. She described her home life as calm and

serene in comparison to the usually hectic environment that she dealt with in the court system. She admits that she had to make some adjustments in order to balance her work-home life due to the amount of time that she had to spend on her job. She admits that this eventually led her to retiring so that she may spend some time focusing on her home life. One of her favorite vacation memories was going to Key West, Florida. She and her family took a trip to south Florida in order to visit family and on a whim, they decided to drive down to Key West and have made it an annual thing since. The warm weather and clear water draw them back yearly. Thinking through her whole life, she could not think of anything that she would want to change about it. Even though her work life affected her home life she would not have had it any other way. She truly believed the job was her calling and she wanted to do the best that she could at it. Her ultimate decision to retire was when she felt that she could no longer perform the job to the best of her abilities. She feels that you need to decide early on what is most important for you and what you want to get out of your job. You should also be flexible though and make sure you do not focus on the minutia of life and forget to truly live and experience all that life has to offer. She is proud of the fact that she always did her best to maintain her social relationships both in and out of work. She is especially proud of the friendships and impact she had on those that she was able to help and turn around for the better. She had two things she always wanted to be and that was compassionate and consistent. She truly cared for the people that she worked with and wanted to make sure she gave everyone a shot at becoming their best self. Currently, she has worries about the future generation due to the lack of work ethic she sees in many younger people. She made the comment that when she hears young people right out of college already discussing how ready they are to retire this concerns her. A problem she felt her generations faced coming up was the inequality she saw for females in the criminal justice system. She is happy to see all of the

changes that have taken place and how easily women can get into the system in today's world.

For our generation, she worries that technology has grown so much that it is inhibiting us more than helping us. She made the comment that human to human interactions can never be replaced by technology. She made sure to point out that she loves what technology has to offer, but she worries about whether or not it is going to eventually be the demise of social interaction abilities. She hopes that the next generation will open their eyes and step up and continue to make the world the best that they can.

CASE STUDY NINE: INTERNSHIP INTERVIEW

This case gave us the opportunity to talk with a fellow Patterson School of Accountancy student who was in our shoes not too long ago. We had the opportunity to ask them questions and get their opinions on topics that they have first-hand experience with and can provide valuable insight on. I thoroughly enjoyed getting to talk with my “mentor” student and learned a lot from my phone call with her. Not only did we talk about the internship, but I also got to ask her questions about what all happens once we return from the internship. These topics included things like what the classes were like that we take once we return from the internship as well as graduate school. I got to hear all about her internship experience and what she took from it. I found hearing about her experiences very beneficial as it gave me some sort of idea about what my own internship could look like. Throughout the entire recruiting process, we have all of our professors that are there to help us and give us advice on any questions we have, but to have someone who has just recently completed their own internship and has fresh knowledge was a whole new source that I could gather as much information as possible from. On top of all the internship knowledge she was able to pass on, I was also able to get information on graduate school and what she has experienced thus far. This was the most valuable information I gathered from her in my opinion. I feel this way due to the fact that I have not had much exposure to what graduate school is like. So, to have someone who is going through it right now and to be able to just have them go through what a typical week looks like for them was so interesting to hear. I know that all of the knowledge that I gained from my discussion will help me to better prepare myself for my experiences.

For this case, the mentor I was assigned was Allison Gaerke. Allison is currently a graduate student at The University of Mississippi. She serves as the president for Beta Alpha Psi.

Allison did an audit internship with Crowe in a small office in Fort Wayne, Indiana. She chose this office as it was close to her hometown in Ohio. She made the decision to move back home due to the fact that she had chosen to go to college in a town that is very far from home. She wanted to be able to move back closer to her family after spending so many years close to ten hours from them. She loved her experience at the firm and spoke on how much she was able to learn from everyone there. While Allison did not choose the same firm nor the same service line that I chose, I was still able to gain valuable insight of what the general experience was going to be like. I also took the opportunity to learn about the other side and see what exactly she did just so that I was able to have that knowledge for myself as well. I treated this case less like an interview and more like an open discussion where I basically just asked Allison to walk me through what all she did at the internship and what some of her biggest takeaways were. This gave me a way to make sure that I did not limit myself to what I was learning by restraining her to answering only a set of questions that I could have written. This allowed for me to really get a big picture idea of what all she experienced. I really enjoyed getting to hear her describe all of what she encountered while she was there. She gave me suggestions on things that I could make sure I focused on when doing my own internship so that I could be sure to live up to my full potential. The next topic that we discussed was what classes were like when we got back from the internship. The

Patterson School of Accountancy has built the internship program very well so that it fits in to our schedules and we are not forced to miss any classes. Upon returning from the internship we take two classes that last from the week after spring break until finals week. She explained that this was one of her favorite semesters due to the fact that upon returning she only had to worry about those two classes and after spending ten weeks at her internship this was a nice break to have.

The last topic that we discussed was graduate school. She was able to give me a ton of information about her graduate school experience. She talked to me about what all it takes to get into graduate school and what she has experienced while she has been in it. My biggest takeaway from it all was her experience with the graduate assistantship program. This is a program that you can apply for that allows you to be a graduate assistant for one of the professors in the Patterson School of Accountancy. Not only does this program provide an amazing experience for you to be able to work with the professors that you have been taught by, but it also helps in reducing tuition costs so that you are able to more easily afford graduate school. Allison is in this program and she was a graduate assistant for Dean Wilder and she loved every minute of her experience. I enjoyed getting to hear about this option because it is something I knew existed but never really got to hear much about from anyone. Overall, my conversation with Allison brought me so much knowledge on different topics that I know I will be able to use in the future. On top of all that, I feel as though I have made a new friend in Allison. She will be someone I am able to reach out to and talk to whenever I have any questions or concerns or just need someone to talk to and that I feel is the greatest thing that I gained from this case.

CASE STUDY TEN: FINANCIAL CRISIS

This case tasked us with analyzing various source materials that had to do with our economy and certain key events and players in the economy. Being from a smaller town with a school system that was not exactly at the forefront of education, the topic of the economy was never something that was discussed very much. We learned the basics that we needed to know what the economy was, but even that was shaky at best. I did not really begin to learn about anything below surface level of the economy until I reached college. The trouble for me was that a lot of the professors who talked about the economy assumed we had prior knowledge of it and therefore did not take the time to lay out any sort of basic knowledge that I could build upon. Instead, they jumped straight into more difficult and challenging material to understand for someone who had only the slightest general understanding of how it all worked. I believe it for these reasons that I have always had some distain when it comes to the topic of the economy and anything that has to go along with it. Upon seeing what this case was going to entail, I initially dreaded it all. I was not looking forward to spending my last case for this class writing about something that I had no interest in. However, as I began analyzing the various materials provided as sources for us, I was truly interested in what I saw and enjoyed learning what the material had to offer. While the material was certainly more focused on some of the more negative aspects of the economy, it was still very insightful to the various aspects of this topic that is a backbone of our country. I have gained a newfound respect for the economists who strive to learn and better this ever-changing landscape that is the economy.

As I stated before, I have never been a fan of the economy. This stems simply from the fact that I have never felt I knew enough about the topic to form any sort of educated opinion about it as a whole. This frame of mind that I have had has stopped me from even trying to go out and attempt to educate myself on it. So, I took this case as an opportunity to branch out from my preconceived notions and start fresh. This allowed for me to fully partake in the information that the sources provided to us for the case had to offer. My biggest takeaway as far as a common theme that I gathered from all of the sources is that the economy has a hard time learning from its mistakes. While overall our economy can be described as flourishing, we have had our fair share of disasters. Throughout our history, we have seen economic downturns that have resulted in catastrophic consequences for many in the country. While we do our best as a nation to try and fix what we think was broken and caused these downturns, we still manage to end up back where we were. Once again resulting in a major catastrophe. This leads me to believe that it is inevitable that more and more downturns will happen in the future until we manage to truly fix what is causing all these problems. This leads me to another point of conversation that I felt was brought up in many of the source materials and that is corruption. This happens on so many different levels in the economy. In one video, we learned about the topic of "Crony Capitalism." This happens when businesses thrive on a relationship between themselves and a political class. As we have learned from many prior historical events, politics is one of the most corrupted practices that we have. Through "Crony Capitalism," it allows for this corruption to bleed into the business world as well. However, corruptness in the business world cannot be solely blamed on the influence of politics. The business world also has its fair share of corrupt individuals as well. While laws can be set in place to try and hinder these individual's ability to do these corrupt acts, many still find ways to carry out their plans. Once again, I feel this will be an ongoing problem in the future until we are able to fully eradicate these practices from occurring. For myself and the field of work I have chosen, I believe that I can help in this fight by making sure that I follow my moral obligations. In the world of accounting, we as accountants can easily be used to help in

corrupt plans. We have seen it happen in the past and no doubt it can easily happen again in the future. While many people may have the best intentions at heart, money and the promise of wealth can easily turn an upstanding citizen into a corrupt player in a game that they will ultimately lose. The field of accounting may be an easier place to implement corrupt practices due to the nature of the work that is involved in it, this does not mean that other fields cannot be easily coerced as well. For a corrupt plan to truly work, there must be individuals at every level that are conspiring to help pull off the scheme. This leads me into my next topic of discussion which is simply the fact that on a personal level we all have to stand true and follow our moral obligations. Not just those set forth by our field of work, but those that we have had instilled in us throughout the years. We must follow that moral compass and do our best to always do what is right in any given situation. While it may feel as though I have gone off on some “moral tangent” when this case has to deal with the economy and the financial crises that we as a nation have faced, I truly feel that one of the major problems our economy faces is the corruptness that we have seen seep into many aspects of our country.

We are currently living in uncertain and confusing times in the wake of the pandemic that has been caused by the COVID-19 virus. As a country, we have all been put through more than we could have ever prepared for. This virus had caused loss of family members, loss of jobs, and a sudden and violent crash in our economy. I hope that we use this opportunity to try and fix what we can in our economy. This, of course, is much easier said than done. It will be a monumental undertaking to truly attempt to modify and change an economy that has been around for centuries. I cannot say that I have even the slightest idea of where to begin on this task. All I can say is that we have an opportunity to truly learn from our past mistakes and do our best to start this change towards something better. While the economy certainly has its positives and many things about it work, we cannot turn our eye to the negatives and allow them to continue to happen. This is our chance to break a repeated pattern of economic crashes and booms and attempt to stabilize the

economy. For me, I do not believe it will be this virus that changes the economic or political landscape of this country. It will be how we as a people use this opportunity to change the system we currently have in place.

This case allowed me to truly go outside of my comfort zone and learn about things that I normally would never encounter. I have truly gained a deeper respect for the ones who are at the forefront of the economy and are learning and evolving each and every day as the economy does the same. It is my hope that we as a people bounce back from this COVID-19 pandemic stronger and more resilient and are able to go out and make a change that has long been needed.

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